

# 2012 Martin County Property Tax Report with Comparison to 2011

Legislative Services Agency

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This report describes property tax changes in Martin County between 2011 and 2012. In 2012 tax changes in each county were affected most by local factors, such as changes in assessed values, deductions, levies, credits, and tax rates. In 2012, for the first time in years, tax bill changes were not affected by statewide policy changes. The big 2008 tax reform was fully phased in by 2011. There were some statewide trends. The effects of the Great Recession lingered in many counties, depressing assessed value growth. Taxes in rural counties were affected by a large increase in farmland assessed values.

In Martin County the average tax bill for all taxpayers decreased by 14.8%. This large tax bill drop was the result of a 5.1% decrease in the tax levy of all local government units, and a new local homestead tax credit. Martin County net assessed value rose due to a big increase in farmland assessments and smaller increases in homestead, other residential, and business assessments. Falling levies and rising assessed values caused tax rates to fall in all Martin County tax districts, which decreased tax cap credits. Credits as a percent of the levy fell by 2.4% in Martin in 2012.

	Average Change in Tax Bill, All Property	Total Levy, All Units	Certified Net Assessed Value	Tax Cap Credits % of Levy
2012	-14.8%	\$5,681,572	\$328,713,942	1.9%
Change		-5.1%	11.3%	-2.4%
2011	9.0%	\$5,984,064	\$295,361,145	4.3%

## Homestead Property Taxes

Homestead property taxes decreased 34.9% on average in Martin County in 2012. The main reason for this sizable reduction was the introduction of a new local homestead credit. In addition, tax rates in all Martin County tax districts decreased. The county average tax rate fell by 14.7%. Martin County's new local homestead credit so reduced homestead tax bills that only a few homesteads were eligible for tax cap credits in 2012.

## Net Tax Bill Changes - All Property Types

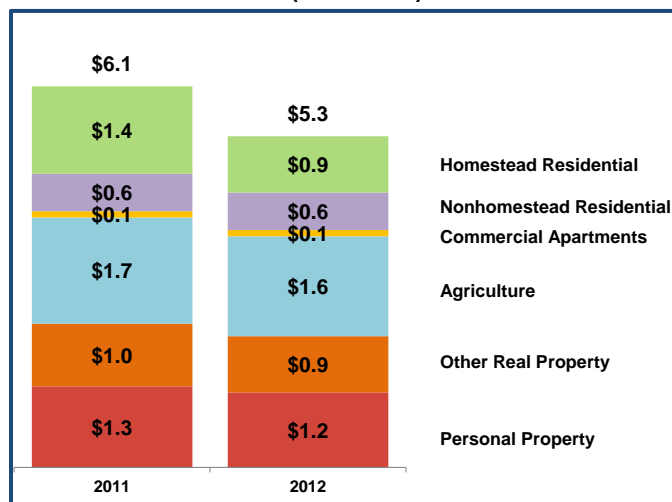
The largest part of Martin County's 2012 net property taxes were paid by business owners on their land and buildings (other real) and business equipment (personal) and by owners of agricultural property. Net tax bills for all taxpayers decreased 14.8% in Martin County in 2012. Net taxes were lower on all property types except for a small increase for commercial apartments.

### Comparable Homestead Property Tax Changes in Martin County

	2011 to 2012	
	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>		
Higher Tax Bill	97	3.4%
No Change	225	7.8%
Lower Tax Bill	2,550	88.8%
<b>Average Change in Tax Bill</b>	<b>-34.9%</b>	
<b>Detailed Change in Tax Bill</b>		
20% or More	41	1.4%
10% to 19%	13	0.5%
1% to 9%	43	1.5%
0%	225	7.8%
-1% to -9%	60	2.1%
-10% to -19%	141	4.9%
-20% or More	2,349	81.8%
<b>Total</b>	<b>2,872</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

### Comparison of Net Property Tax by Property Type (In Millions)



### Tax Rates, Levies, and Assessed Values

Property tax rates decreased in all Martin County tax districts. The average tax rate fell by 14.7%, because of a drop in tax levies and a sizable increase in net assessed value.

Levies in Martin County decreased by 5.1%, mostly due to a levy reduction in the Shoals Community School Corporation. The corporation had large decreases in its bus replacement and capital projects funds.

Martin County's total net assessed value increased 5.5% in 2012. Agricultural net assessments rose 9.6%. The large increase in agricultural assessed value was due to the 16% increase in the base rate assessment of farmland, from \$1,290 to \$1,500 per acre for taxes in 2012. Combined nonagricultural net assessments rose 3.8%.

Property Type	Gross AV 2011	Gross AV 2012	Gross AV Change	Net AV 2011	Net AV 2012	Net AV Change
Homesteads	\$236,983,894	\$240,477,179	1.5%	\$77,359,653	\$80,440,400	4.0%
Other Residential	36,551,500	37,718,460	3.2%	34,381,912	35,420,818	3.0%
Ag Business/Land	93,325,301	103,107,861	10.5%	92,733,549	101,636,550	9.6%
Business Real/Personal	130,884,835	134,235,908	2.6%	111,471,425	115,783,425	3.9%
<b>Total</b>	<b>\$497,745,530</b>	<b>\$515,539,408</b>	<b>3.6%</b>	<b>\$315,946,539</b>	<b>\$333,281,193</b>	<b>5.5%</b>

Net AV equals Gross AV less deductions and exemptions · Tax rates are calculated on Net AV · Circuit breaker tax caps are calculated on Gross AV

### Tax Cap (Circuit Breaker) Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

Total tax cap credits in Martin County were \$108,439, or 1.9% of the levy. This was much less than the state average percentage of the levy of 9.2%, as well as less than the median value of 3.2% among all counties. Tax rates are the main determinant of tax cap credits, and Martin County's tax rates were lower than the state average and state median rates.

Almost all of the total tax cap credits were in the 2% nonhomestead/farmland category. The largest percentage losses were in the town of Shoals and the Shoals Public Library, where district tax rates topped \$3 per \$100 assessed value. The largest dollar losses were in the town of Shoals and the county unit.

### Tax Cap Credits by Category

Tax cap credits decreased in Martin County in 2012 by \$147,431, or 57.6%. The percentage of the levy lost to credits fell by 2.4%. Credits in the 1% homestead category almost disappeared because of the introduction of the new local homestead credit, financed by local income tax revenue. Decreases in credits in the other categories were due to the large drop in Martin County tax rates. There were no major changes in state policy to affect tax cap credits in 2012.

Tax Cap Category	2011	2012	Difference	% Change
1%	\$29,932	\$2,124	-\$27,807	-92.9%
2%	178,146	93,618	-84,528	-47.4%
3%	36,773	6,195	-30,578	-83.2%
Elderly	11,019	6,501	-4,518	-41.0%
<b>Total</b>	<b>\$255,870</b>	<b>\$108,439</b>	<b>-\$147,431</b>	<b>-57.6%</b>
<b>% of Levy</b>	<b>4.3%</b>	<b>1.9%</b>		<b>-2.4%</b>

### Martin County Levy Comparison by Taxing Unit

Taxing Unit	2008	2009	2010	2011	2012	% Change			
						2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012
<i>County Total</i>	8,448,451	5,529,124	5,751,249	5,984,064	5,681,572	-34.6%	4.0%	4.0%	-5.1%
State Unit	7,948	0	0	0	0	-100.0%			
Martin County	1,934,102	1,506,755	1,559,575	1,597,609	1,645,541	-22.1%	3.5%	2.4%	3.0%
Center Township	19,842	20,776	21,323	21,984	22,680	4.7%	2.6%	3.1%	3.2%
Halbert Township	32,267	35,684	37,031	37,914	39,155	10.6%	3.8%	2.4%	3.3%
Lost River Township	14,942	15,100	15,057	15,548	15,880	1.1%	-0.3%	3.3%	2.1%
Mitcheltree Township	30,290	32,164	33,370	34,229	35,324	6.2%	3.7%	2.6%	3.2%
Perry Township	52,708	55,727	57,527	59,269	60,525	5.7%	3.2%	3.0%	2.1%
Rutherford Township	17,998	19,171	19,868	20,353	20,890	6.5%	3.6%	2.4%	2.6%
Loogootee Civil City	438,755	434,286	452,559	463,839	477,568	-1.0%	4.2%	2.5%	3.0%
Crane Civil Town	0	0	0	0	0				
Shoals Civil Town	145,682	152,099	160,135	164,336	169,982	4.4%	5.3%	2.6%	3.4%
Shoals Community School Corp	2,690,365	1,724,952	1,730,729	1,813,276	1,538,063	-35.9%	0.3%	4.8%	-15.2%
Loogootee Community School Corp	2,871,718	1,334,358	1,452,329	1,585,994	1,492,230	-53.5%	8.8%	9.2%	-5.9%
Loogootee Public Library	55,438	52,440	60,271	59,876	50,412	-5.4%	14.9%	-0.7%	-15.8%
Shoals Public Library	18,826	19,657	20,691	21,229	21,940	4.4%	5.3%	2.6%	3.3%
Martin County Solid Waste Mgmt Dist	117,570	125,955	130,784	88,608	91,382	7.1%	3.8%	-32.2%	3.1%

### Martin County 2012 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
51001	Center Township	1.6065	--	--	--	--	33.5474%	--	1.0676
51002	Shoals Town/Center Township	3.0940	--	--	--	--	33.5474%	--	2.0560
51003	Halbert Township	1.6093	--	--	--	--	33.5474%	--	1.0694
51004	Shoals Town/Halbert Township	3.1091	--	--	--	--	33.5474%	--	2.0661
51005	Lost River Township	1.6096	--	--	--	--	33.5474%	--	1.0696
51006	Mitcheltree Township	1.7206	--	--	--	--	33.5474%	--	1.1434
51007	Perry Township	1.4211	--	--	--	--	33.5474%	--	0.9444
51008	Loogootee City	2.2479	--	--	--	--	33.5474%	--	1.4938
51009	Crane Town	1.4027	--	--	--	--	33.5474%	--	0.9321
51010	Rutherford Township	1.4232	--	--	--	--	33.5474%	--	0.9458

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

### Martin County 2012 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total		
<i>Non-TIF Total</i>	2,124	93,618	6,195	6,501	108,439	5,681,572	1.9%
<i>TIF Total</i>	0	0	0	0	0	6,858	0.0%
<i>County Total</i>	2,124	93,618	6,195	6,501	108,439	5,688,430	1.9%
Martin County	450	17,916	998	1,629	20,993	1,645,541	1.3%
Center Township	2	255	13	7	276	22,680	1.2%
Halbert Township	12	365	77	15	469	39,155	1.2%
Lost River Township	0	0	0	4	4	15,880	0.0%
Mitcheltree Township	5	0	0	15	20	35,324	0.1%
Perry Township	21	706	0	84	812	60,525	1.3%
Rutherford Township	0	0	0	25	25	20,890	0.1%
Loogootee Civil City	470	15,565	0	1,411	17,446	477,568	3.7%
Crane Civil Town	0	0	0	0	0	0	
Shoals Civil Town	252	20,691	2,675	209	23,827	169,982	14.0%
Shoals Community School Corp	290	15,717	2,032	591	18,631	1,538,063	1.2%
Loogootee Community School Corp	516	17,094	0	2,244	19,854	1,492,230	1.3%
Loogootee Public Library	50	1,643	0	149	1,842	50,412	3.7%
Shoals Public Library	32	2,671	345	27	3,075	21,940	14.0%
Martin County Solid Waste	0	0	0	0	0	0	
Martin County Solid Waste Mgmt Dist	25	995	55	90	1,166	91,382	1.3%
TIF - Crane-WG Tech Park	0	0	0	0	0	6,858	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

#### Circuit Breaker Credit Types:

*Homesteads* are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

*Other Residential/Farmland* includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

*All Other Real/Personal* is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

*Elderly* includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over. The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.